

June 18, 2013

The Director and Manager
The Stock Exchange of Thailand

Re: Notification of Asset Acquisition

The Board of Directors meeting of KCE Electronics Public Company Limited (“the Company”) number 6/1013 held on June 18, 2013, passed a resolution approving the acquisition of assets for the new plant expansion project. The new plant will have a capacity of 2 million sq ft/month, will be located in the Lat-Krabang Industrial Estate on land owned by the Company and will have an estimated total investment of Baht 4,675,000,000.

This transaction is deemed an Acquisition of Assets according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551, “Rules for Entering into Material Transactions Deemed as Acquisition or Disposal of Assets” and the Notification of the Stock Exchange of Thailand (SET), “Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547 (Notification of Acquisition or Disposition of Assets)”, valued at 42.97% of the total assets of the Company and its Subsidiaries as at March 31, 2013 (which is the highest transaction size according to the 3rd calculation method, using the “Total Value of Consideration” basis, compares to total assets of the Company and its Subsidiaries). The transaction is categorized as Type “2” (equal to or higher than 15%, but less than 50%) and in accordance with the Notification of Acquisition or Disposition of Assets, the Company requires to disclose information to Shareholders within 21 days after the disclosure to the SET.

The Company has pleasure in submitting the disclosure of information concerning the Acquisition of Assets as follows:

1. The date, month and year that the transaction occurred

The Company will enter the transaction after the Board passed a resolution approving the acquisition of assets in the Board of Directors’ Meeting No. 6/2013 on June 18, 2013

2. The parties involved and their relationship with the Company

- Building construction and facility system

Principal: KCE Electronics PCL

Contractor: In preparation for bidding

Relationship between Buyer and Seller: None

- Machinery, equipment and manufacturing support equipment

Buyer: KCE Electronics PCL

Seller: Companies that sell machinery and equipment in their normal course of business, mostly in overseas countries

Relationship between Buyer and Seller: None

3. General characteristics of the transaction, value and transaction size

The value of the investment project includes the estimated construction cost of the factory building, the installation of the facility system, the purchase of machinery, equipment and manufacturing support equipment and other expenses, totaling Baht 4,675 million, equal to 42.97% of the total Company assets.

This transaction is deemed an Acquisition of Assets according to the Notification of Acquisition or Disposition of Assets, valued at 42.97% of the total assets of the Company and its Subsidiaries as at March 31, 2013 (which is the highest transaction size according to the 3rd calculation method, using the "Total Value of Consideration" basis, compares to total assets of the Company and its Subsidiaries). The transaction is categorized as Type "2" (equal to or higher than 15%, but less than 50%) according to the Notification of Acquisition or Disposition of Assets, requires that the Company discloses information to the SET and distributes the Information Memorandum to Shareholders within 21 days after the disclosure to the SET.

4. Details of the acquired asset

The purpose of the investment project in the new factory is to expand production capacity of 2 million sq ft per month. It will be built on 19-3-71 rais of Company owned land (Title Deed No. 40226) located on the Lat-Krabang Industrial Estate, Bangkok, which is near to the current location of the Company.

The capacity expansion is aimed to support the continued growth from both existing and new customer orders. The project will be operated in three phases continuously as follows:

- 1) Phase I: will generate a capacity of 700,000 sq ft per month; the construction will be completed within one year and the operation will start in the end of 2014.
- 2) Phase II: will generate a capacity of 600,000 sq ft per month, and the operation will start in the end of 2015.
- 3) Phase III: will generate a capacity of 700,000 sq ft per month, and the operation will start in the end of 2016.

5. Total value of the consideration in acquiring the assets

The value of the consideration in acquiring the assets in each phase is as follows:

1. Phase I - Total value of the consideration is approximately Baht 2,861,000,000:

1.1 Factory Building and facility system - Baht 1,448,000,000

Term: Advance payment according to the contract agreement and installment payment according to the progress of work.

1.2 Machinery and manufacturing support equipment - Baht 1,413,000,000

Term: Credit term 60 – 120 days from suppliers

2. Phase II - Total value of the consideration is approximately Baht 484,000,000 for Machinery and manufacturing support equipment:

Term: Credit term 60 – 120 days from suppliers

3. Phase III - Total value of the consideration is approximately Baht 1,330,000,000:

3.1 Facility system - Baht 52,000,000

Term: Advance payment according to the contract agreement and installment payment according to the progress of work.

3.2 Machinery and manufacturing support equipment - Baht 1,278,000,000

Term: Credit term 60 – 120 days from suppliers

6. Total value of assets acquired and the basis used to determine the value of the consideration

The total value of the investment in the new plant is approximately Baht 4,675 million, includes:

a) Design, civil work, construction cost	Baht 750,000,000
b) Installation of facility system and waste water treatment	Baht 750,000,000
c) Machinery and manufacturing support equipment	Baht 2,775,000,000
d) Other equipment & tools, furniture & fittings, machine installation cost, freight-in and others	Baht <u>400,000,000</u>
Total value of the consideration in acquiring the assets	Baht <u>4,675,000,000</u>

The value is the agreed upon price between the parties, the seller and the buyer, who are not related or connected parties, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, "Rules on Connected Transactions", and the Notification of the SET, "Disclosure of Information Concerning Connected Transactions B.E. 2546".

7. Expected benefits of the investment

- 1) Additional production capacity of 2 million sq ft per month, double the current 1.8 million sq ft per month, in order that the Company can support increasing orders from customers as well as industry growth.
- 2) Increase production efficiency by investing in new and modern technology; being automated, the new technology enables an increase in productivity and a reduction in labor force, resulting in efficient cost management.
- 3) Obtain tax privileges for being a BOI promoted business.

8. Source of funds

The Company acquires fund from both internal and external sources:

- 1) Cash from operation, being about 12%.
- 2) Long-term loan from a financial institute, being about 88% and withdrawn according to the progress of construction work.
Term: 2-year grace period, quarterly installment payments of principal and interest over 6 years, being fixed and float interest rate.

9. Condition on entering the transaction

The aforementioned transaction is classified as Type “2” according to the transaction size calculation method, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 “Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets”, dated August 31, 2008. The Notification of the SET, “Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547”, dated October 29, 2004, requires that the Company discloses information concerning the Acquisition of Assets to the Stock Exchange of Thailand (SET) and distributes the Information Memorandum to Shareholders within 21 days after the disclosure to the SET.

10. Board of Directors’ opinion regarding entering the transaction

The Board of Directors has passed a resolution approving the entering into a transaction for the Acquisition of Assets for the new plant project.

11. Opinion of the Audit Committee and/or Directors that is different from the Board's in item No. 10

None of the Audit Committee and/or Directors has a different opinion from the Board's.

It is certified that this disclosure of information is correct and complete.

Please be informed accordingly.



Sincerely yours,



(Mrs.Voraluksana Ongkosit)

Executive Director